

# MEMORANDUM

**Date:** February 13, 2014  
**To:** All Interested Parties  
**From:** Katrina M. Johantgen, Executive Director  
**Subject:** Charter School Revolving Loan Fund Program  
Frequently Asked Questions

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This information is provided by the California School Finance Authority (Authority) and should be considered by charter schools while preparing an application for the 2013-14 Funding Round of the State Charter School Revolving Loan Fund Program (Program). If you have any questions or require additional information, please contact the Authority at (213) 620-4467 or (916) 651-7710.

## **I. General Application Information:**

**Q: *Is priority given to schools in their first year of operation?***

**A:** Priority is given to new charter schools scheduled to commence student operations in the 2014-15 fiscal year.

**Q: *When should charter schools expect loan proceeds, if awarded in this round?***

**A:** Awards are scheduled to be determined at an Authority meeting in May 2014. The funds are scheduled to be disbursed in June 2014.

**Q: *Do schools need to have a CDS code to apply?***

**A:** Schools need to provide their CDS code at the time of application. However, if the CDS code is not yet available, the school should provide evidence with their application that they have requested a CDS code from the State Board of Education. The disbursement of loan proceeds will be contingent upon receipt of the CDS Code.

**Q: *Is a board resolution required with the application?***

**A:** A board resolution from the school's governing board accepting the terms and conditions of the loan agreement will be required along with the executed loan agreement, prior to disbursement of any funds.

## **II. Written Request:**

**Q: *Is there an example of the written request or letter format?***

A: Schools may use a letter format to summarize the information requested in the Application related to the Written Request for funding. Refer to the Application Instructions (<http://treasurer.ca.gov/csfa/csrlf/instructions.pdf>) dated January 8, 2014 that describe the type of information required in the Written Request.

## **III. Financial Documentation:**

**Q: *Does "adopted" budget mean board-approved?***

A: "Adopted" does mean board-approved. If the school is currently in operation for the 2013-14 school year, the Authority wants to see the "adopted" budget. For the budget projections for the subsequent period (FY 2014-15), proposed budgets do not need to be board approved.

**Q: *Should the budget show the loan coming in and payments going out?***

A: The Authority wants to see what the school's budget without the loan proceeds and repayments being made.

**Q: *What kind of template should be used to show the school's budget plans?***

A: The applicant can use their own budget template as long as it shows all the components mentioned in the Additional Documents Required Section, Field 2 – Financial Documentation, subsection b (page 4) of the Application Instructions.

**Q: *Should cashflows be included with the budget and budget projections? How many years of cash flow should be provided?***

A: Yes, just like the budget, please provide cash flows related to the 2014-15 school year and the following four fiscal years.

**Q: *Should schools submit a budget including the current 2013-14 fiscal year?***

A: Schools should submit an adopted budget for the current Fiscal Year (FY 2013-14). Per the application instructions, please provide an adopted budget for the fiscal year in which the applicant is applying for the loan (in this case, the FY 2013-14 funding cycle) and provide budget projections for at least the next four fiscal years.

#### **IV. Operational Documentation:**

**Q: *What type of information does the Authority need for future contracts?***

A: Information should include expected contractor name/business, anticipated contract terms and scope of services/goods, cost elements and rates, and total projected contract costs. Additional information may include the type of expenditure category the future contract relates to such as mobile classrooms, remodeling, educational consultants, or technology services.

**Q: *Is there a template for the “Business Plan/Strategic Plan”? What kind of information should schools describe in this section?***

A: The Authority would like to gather information such as; programmatic objectives, marketing strategies, charter organizational chart (if applicable), internal fiscal controls, staffing ratios, identification of financial reporting system, liability insurance, facilities maintenance, ability to accommodate projected growth, annual and long-term debt, budget format, estimated revenues, expectations to apply for grant money, and estimated expenditures. However, if there is no separate business plan, strategic plan, or memorandum of understanding between the charter school and the chartering authority available that would contain the financial information requested, the Authority will accept a charter petition that includes these elements.

**Q: *Should current and projected enrollment and ADA figures be provided on an annual basis?***

A: Application Instructions ask for budgeted enrollment and ADA for a five year period. Please provide current and projected enrollment and ADA on an annual school year basis.

**Q: *What does the application mean by “provide the targeted student population”?***

A: “Targeted student population” means the specific grade group of students that the charter school is projected to serve such as, Elementary K-3 or Grades 4-6, or High School Grades 8-12 or 9-12.

#### **V. Deadline/Mailing Dates:**

**Q: *What if a school misses the February 24, 2014 application deadline?***

A: Late applications *cannot* be accepted. All applications must be **received** by the Authority no later than 5:00 p.m. on Monday, February 24, 2014.

**Q:     *Can applications be submitted to the Los Angeles office of the Authority?***

A:     Completed application form and required documents (one application with original signatures and one copy on a CD-ROM or flash drive) should be hand-delivered or mailed to the Authority at its Sacramento office at: 915 Capitol Mall, Room 101, Sacramento, CA 95814.

*If you have any questions or concerns, do not hesitate to contact the Authority at (916) 651-7710 or (213) 620-4467.*